

**MINUTES OF THE BOARD MEETING
OF THE BRISTOL COUNTY WATER AUTHORITY**

**Wednesday, April 24, 2013
450 Child Street, Warren Office, Warren, RI**

Pursuant to proper notice, the Board Meeting of the Bristol County Water Authority was called to order by Chairman Klepper at 6:00 pm, 450 Child Street, Warren Office, Warren, Rhode Island.

Executive Director Pamela Marchand, Legal Counsel Joseph Keough and the following Directors were in attendance at the commencement of the meeting:

Robert Allio, William Gosselin, John Jannitto, Allan Klepper, Bradford Louison, Georgina Macdonald, Raymond Palmieri, Sr., Frank Sylvia

Director Absent: Paul Bishop

There was no public input.

Approval of Minutes

Upon a motion made by Director Sylvia and seconded by Director Jannitto it was

VOTED: That the Ad Hoc Personnel Committee minutes of March 26, 2013, be approved.

Motion passed unanimously.

Upon a motion made by Director Sylvia and seconded by Director Jannitto it was

VOTED: That the Committee of the Board minutes of March 27, 2013, be approved.

Director Allio requested an addition to his comments regarding Washington Trust.

Director Palmieri noted an addition to the minutes regarding the discussion of the 1/16/13 minutes regarding legal services.

Director Sylvia amended the motion to note the additions.

Director Sylvia made the following amendment which was duly seconded

AMENDMENT: To amend the minutes with comments.

Amendment and motion passed unanimously.

Upon a motion made by Director Sylvia and seconded by Director Macdonald it was

VOTED: That the Finance Committee minutes of April 8, 2013, be approved.

Motion passed unanimously.

Upon a motion made by Director Sylvia and seconded by Director Gosselin it was

VOTED: That the Board minutes of April 10, 2013, be approved.

Director Macdonald asked that clarification be added to the minutes– leak survey - the amount of unbilled water be added to the minutes
Poppasquash Road – Phase I Complete– design work completed to bring the water supply to Asylum Road.
IRS letter suggesting BCWA change from 1099 to W-2, no action taken by the Board.
Employee salary increase percentages – exhibit.

Director Allio stated the approval of the MIS Systems Program will be in June with a target start date of July 1 as stated by the Executive Director. The Executive Director responded that she could not promise a start date of July 1, but as soon as possible following the Board approval.

Director Sylvia made the following motion seconded by Director Gosselin

AMENDMENT: To amend the minutes with comments.

Motion and amendment passed unanimously.

Upon a motion made by Director Macdonald and seconded by Director Gosselin, it was

VOTED: That the Finance Committee minutes of April 16, 2013, be approved.

Director Allio asked that clarification be added to the minutes regarding progress on benchmarking.

Motion passed unanimously.

Reports

1. Executive Directors Report

Executive Director P. Marchand stated that water delivered this past month was 8% less than March of last year. Hydrant flushing will take place in Barrington, Warren and Bristol in April and May.

Director Macdonald asked for clarification of the Poppasquash Road report. Executive Director P. Marchand stated that the water main on Poppasquash Road north of the marina will not need to be replaced as it was replaced in the 1960's and it is cement lined. Full fire flow amount for the area will not be available until the entire main is replaced through the Colt State park.

Chairman Klepper stated he spoke to our auditors about changing BCWA's calendar year from March 1 to July 1. He will keep the Board informed.

2. Finance Update – Mark Champagne

M. Champagne stated he has been preparing for the audit which began Monday 4/22/13.

3. Finance Committee Report

Director Allio stated benchmarks were distributed at the last meeting to monitor performance, no feedback was received from the board.

Calendar of financial events, including a strategic plan workshop scheduled for 9/18/13, was distributed to the Board with the Board packet.

Next quarterly review of Strategic Plan will be held May 28, 2013.

Pension Fund Management has been deferred until the Board receives a ruling from our legal counsel for issues regarding the plan. Executive Director P. Marchand stated Legal Counsel J. Whelan will be providing information at the next Finance Committee Meeting.

QualServe report will be completed by May 16.

E. Action: Vote

1. Management Position Description – Operations Superintendent

Executive Director P. Marchand stated that the position had been updated to meet state law requirements for a Grade 4 license.

Director Jannitto made the following motion seconded by Director Gosselin

MOTION: Approve position description of Operations Superintendent.

Motion passed unanimously.

2. Paving Bid – Request for Contract Extension

Executive Director P. Marchand stated that BCWA currently has a paving contract with Hartford Paving. The Executive Director requested to extend the contract for an additional year. The contract prices would remain the same, asphalt prices are stable at this time.

Director Jannitto made the following motion seconded by Director Gosselin

MOTION: To accept contract extension with Hartford Paving for one more year (2013), pricing will be extended, as recommended by Staff.

Motion passed unanimously.

3. Bond Counsel and Financial Advisor

Executive Director P. Marchand stated she would like to start procedures for a bond for \$12 million for capital work planned for this year and the next several years. Sandra Mack has served as BCWA's Bond Counsel, is very familiar with our previous bonds and has given us very good services. It is unusual to change bond counsel as they are familiar with all of the bond indentures of previous bonds.

She also recommended Maureen Gurghigian of First Southwest continue as Financial Advisor. She has worked extensively with Maureen in the past and she is well respected throughout the state.

Director Palmieri had concerns with the fees Sandy Mack had charged for previous bond work.

Director Allio suggested soliciting proposals for a bond counsel.

Director Jannitto made the following motion seconded by Director Gosselin

MOTION: Accept recommendation of the Executive Director for Sandra Mack to continue as Bond Counsel and First Southwest as Financial Advisor.

Discussion followed concerning costs associated with bond counsels.

Director Macdonald asked for the Executive Director to obtain a cost estimate or cost proposal.

Motion passed 5 – 3.

Director Macdonald made the following motion seconded by Director Sylvia

MOTION: With the general parameters for a new bond that the Executive Director has outlined, obtain a cost or ‘cost estimate not to exceed’ - from bond counsel and from financial advisor.

Additional information will be presented at the next Finance Committee Meeting.

Motion passed unanimously.

Director Allio stated that he is strongly opposed to using First Southwest as our financial advisor, they are being sued for fraud regarding the 38 Studios default on their state supported bond.

Executive Director P. Marchand stated that she had spoken to First Southwest and they strongly disagreed with the suit, they were only responsible the bonding and did not provide financial advice regarding the viability of the organization. They are continuing as the State’s fiscal advisor, and for most of the municipalities in the state.

Attorney Joe Keough stated that First Southwest is a highly reputable firm, and he has worked with Maureen Gurghigian on numerous occasions. First Southwest represents most of the municipalities in the state. First Southwest is not being sued for fraud, but is caught in the blanket suit against all parties involved in the bonding.

Director Allio stated that Southwest is not the only source for financial advice on bonding.

Finance Manager M. Champagne stated bond counsel did lot of work for us, helping us on bond rating and whether it should be a public or private bond issue.

Director Allio made the following motion seconded by Director Macdonald

MOTION: To have Executive Director seek a proposal from a particular Public Finance Corp. on the provision of financial advice for bond not to exceed cost information.

Motion Failed 4 – 4.

4. Lab Analysis Vendor Selection

Executive Director P. Marchand stated that the number of water quality analysis of the distribution system will increase, so we needed to go out to bid for laboratory services. The BCWA uses Thielsch Engineering, Inc. which has a Master Price Agreement with the

State. The Executive Director recommended continuing with Thielsch under the State MPA, with the ability to negotiate multi-sample discounts, for the term of the MPA.

Director Sylvia made the following motion seconded by Director Palmieri

MOTION: To accept the recommendation of the Executive Director – for staff to utilize the State MPA to negotiate pricing for laboratory services with Thielsch Engineering through September 30, 2014.

Director Macdonald questioned why there were more samples being tested.

Executive Director P. Marchand stated that the focus is on increasing the water quality in the distribution system. With the decrease in consumption, water's age is increasing in the system, increasing the potential for bacteria growth.

Motion passed unanimously.

5. Line of Credit Document Amendments

Legal Counsel J. Keough stated Washington Trust sent an Addendum to the revolving credit note. Washington Trust should explain the line of credit issues at the May 1 Finance Committee Meeting.

F. Update/Discussion

1. Board Governance – Director Allio

a. Meeting Schedule

Director Allio recommended that the Board have one meeting per month, committees can meet quarterly or as needed.

Director Sylvia had concerns meeting once a month, may not have time to review materials before a vote is taken.

Chairman Klepper stated that a Special Meeting could always be called if a vote is needed.

Director Allio made the following motion, seconded by Director Macdonald

MOTION: Schedule one Board Meeting per month, with materials for the meeting delivered to the Directors 5 days in advance; and other committee meetings be scheduled as needed.

AMENDMENT: Finance Committee shall meet once per quarter or as needed.

Motion passed 5 – 3. Voting Aye Directors Allio, Louison, Macdonald, Palmieri and Sylvia. Voting Nay Chairman Klepper, Directors Gosselin and Jannitto.

b. Committee Structure

Director Allio stated that the Board is not fulfilling all of its responsibilities in Personnel and Compensation areas. A Personnel Committee should be restored with 3 or 4 Board members and they should meet quarterly. Goals must be established - for the Executive Director, compensation for senior executives, succession plans.

Chairman Klepper stated that he and Director Gosselin had completed the performance evaluation for the Executive Director. As Chairman he had taken into consideration all of the inputs from the Board. The goals for the Executive Director falls to the whole Board. Chairman Klepper stated that he will provide the Board the goals for the Executive Director at the next meeting.

Director Allio questioned whether his input in the evaluation process was considered. He considered the process clandestine.

Chairman Klepper stated all input from the Board had been taken into consideration.

Legal Counsel J. Keough asked that further discussion should be tabled so he could look into concerns that he has regarding this matter.

Director Jannitto made the following motion seconded by Director Sylvia

MOTION: Table any further action on the proposed management development- compensation committee.

Motion passed unanimously.

2. Facebook Presence for BCWA – Status

Director Allio asked if BCWA's website had been linked to Facebook.

Executive Director P. Marchand stated that this has not moved forward.

Executive Director P. Marchand stated that an IT Specialist had been hired and will begin work in 2 weeks, he is an excellent candidate with a lot of experience. It will be one of his duties to look into issues such as Facebook.

Director Allio requested a copy of his resume.

G. Executive Session

Motion made by Director Sylvia and seconded by Director Macdonald

MOTION: Move to go into Executive Session pursuant to RIGL 42.46-5 (a)(1) employee job performance, and 42.46-5 (a)(2) Anawan Litigation for the purpose of reviewing sealed minutes, and 42.46-5 (a)(2) for union negotiations.

Motion passed unanimously.

The Board entered Executive Session at 8:10 pm.

The Board returned to open session at 8:18 pm.

Chairman Klepper made the following motion which was duly seconded

MOTION: Seal these Executive Session minutes.

Motion passed unanimously.

Chairman Klepper made the following motion, which was duly seconded

MOTION: To adjourn the meeting.

Motion passed unanimously.

There being no further business, the meeting was adjourned at 8:18 pm.

Allan Klepper
Chairman